NCA
VOC FOR PGM/FN
BACKGROUNDER NO. 5-6076 AUGUST 11, 1978
NOBOYUKI KOMIYAMA/TOKYO

PEKING, TOKYO, AND MOSCOW: SOME DYNAMICS

ANNCR:

CHINA AND JAPAN ARE SAID TO BE NEARING COMPLETION OF THEIR EFFORTS TO CONCLUDE A TREATY TO FORMALIZE THEIR NOW-PEACEFUL RELATIONSHIP. BUT THAT EFFORT HAS BEEN TO SOME DEGREE COMPLICATED BY JAPAN'S RELATIONSHIPS WITH THE OTHER MAJOR COMMUNIST REGIONAL POWER, THE SOVIET UNION. VOA'S NOBOYUKI KOMIYAMA PREPARED THIS BACKGROUND REPORT.

VOICE:

SIX YEARS HAVE PASSED SINCE THE PEOPLE'S -EPUBLIC OF CHINA AND JAPAN AGREED TO NEGOTIATE A PEACE AND FRIENDSHIP TREATY. THE TWO COUNTRIES STARTED THEIR NEGOTIATIONS IN 1975. BUT THEY SOON BECAME DEADLOCKED OVER A SO-CALLED ANTI-HEGEMONY" CLAUSE PROPOSED BY THE CHINESE WHICH REJECTS DOMINATION BY ANY THIRD COUNTRY IN THE REGION. THE PROPOSED CLAUSE WAS SEEN TO BE AIMED AT THE SOVIET UNION, AND THE JAPANESE BALKED. AS A CONSEQUENCE, NO REAL PROGRESS WAS MADE UNTIL RECENTLY, WHEN JAPAN AGREED TO INCLUDE A PROPOSED CLAUSE PROVIDED IT WAS MODIFIED SO THAT IT WOULD NOT BE INTERPRETED AS AIMED AT ANY PARTICULAR COUNTRY. PRESS REPORTS THIS WEEK SAID MUTUAL AGREEMENT ON THE WORDING OF THE CLAUSE WAS NEAR.

(OPT) DOMESTIC DEVELOPMENTS IN CHINA AND JAPAN ALSO DELAYED THE NEGOTIATIONS. IN CHINA, MAO-TSE-TUNG AND CHOU-EN-LAI DIED. AND THEN THERE WAS THE PURGE OF THE SO-CALLED GANG OF FOUR, AND THE NOMINATION TO PARTY LEADERSHIP OF CHAIRMAN HUA KUO FENG. IN JAPAN, THE LOCKHEED PAYOFF SCANDAL CAME TO LIGHT. THAT SCANDAL, INVOLVING CHARGES OF BRIBERY TO JAPANESE OFFICIALS BY U.S. AIRCRAFT INTERESTS, SHOOK THE RULING JAPANESE

LIBERAL DEMOCRATIC PARTY, CAUSING AN INTERNAL POWER COMPETITION, WHICH AFTER ONE YEAR, LED TO THE SELECTION OF TAKEO FUKUDA AS PRIME MINISTER (END OPT)

OBSERVERS NOTE THAT FROM THE CHINESE POINT OF VIEW, SUCCESSFUL CONCLUSION OF A SINO-JAPANESE TREATY WOULD REPRESENT A MAJOR BROADENING OF ITS FOREIGN POLICY. AND ON THE JAPANESE SIDE, THEY NOTE THAN SUCH A PACT WOULD FURTHER STRENGTHEN JAPAN'S DIPLOMATIC TIES WITH CHINA AND THUS STABILIZE REGIONAL RELATIONSHIPS.

AT THE SAME TIME, HOEVER, JAPAN IS SEEN AS WORRIED ABOUT ITS RELATIONS WITH THE SOVIET UNION. BILATERAL JAPANESE-SOVIET TREATY NEGOTIATIONS HAVE LONG BEEN STALLED OVER THE ISSUE OF JAPAN'S DESIRE TO RECOVER FOUR NORTHERN ISLANDS WHICH HAVE BEEN HELD BY THE SOVIET UNION SINCE THE END OF WORLD WAR TWO.

ALSO, MOSCOW HAS ISSUED WARNINGS AGAINST THE DEVELOPING SINO-JAPANESE TREATY, CHARGING THAT THE AGREEMENT IS DIRECTED AT THE SOVIET UNION. MOSCOW HAS SUGGESTED, IN THIS CONNECTION, THAT ITS ATTITUDE TOWARD JAPAN COULD CHANGE IF JAPAN SIGNS A TREATY WITH PEKING CONTAINING AN ANTI-HEGEMONY CLAUSE.

MEANWHILE, ON OTHER FRONTS, JAPAN AND CHINA HAVE SIGNED FOUR AGREEMENTS: ON AVIATION, TRADE, SHIPPING, AND FISHING. BILATERAL TRADE HAS BEEN INCREASING GRADUALLY, AND REACHED THIRTY-FIVE HUNDRED MILLION DOLLARS LAST YEAR.

IN FEBRUARY OF 1978, CHINA AND JAPAN SIGNED A LONG-TERM TRADE AGREEMENT TO FURTHER PROMOTE THEIR ECONOMIC RELATIONS. THE AGREEMENT SAYS THAT DURING THE COMING EIGHT YEARS, THE TOTAL BILATERAL TRADE WOULD BE TWENTY THOUSAND MILLION DOLLARS: CHINA EXPORTS CRUDE OIL, COAL AND IRON ORES. JAPAN EXPORTS ADVANCED TECHNOLOGY MACHINERY, AND OIL REFINING, AND IRON AND

STEEL PLANTS. MOST RECENTLY, THE TWO COUNTRIES REACHED AN AGREEMENT OF JOINT OIL EXPLORATION PROJECTS IN THE EAST CHINA SEA.

WJLP/PY